

Message Text

SECRET

PAGE 01 CAIRO 09801 01 OF 08 010820Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01 IO-13
SSM-03 EB-08 HA-05 MCT-01 /121 W
-----073630 011033Z /11

R 311923Z MAR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7444
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA
AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI
USIA WASHDC
DIA WASH DC
USCINCEUR VAHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 01 OF 08 CAIRO 09801
SECRET

SECRET

PAGE 02 CAIRO 09801 01 OF 08 010820Z

E.O. 11652: GDS
TAGS: PINT EG
SUBJECT: QUARTERLY POLITICAL ASSESSMENT: JAN 1 -
- MARCH 31

REF: CAIRO 0065

SUMMARY: PEACE PROCESS HIT SERIOUS SNAGS DURING QUARTER. SADAT, FEELING HIS JERUSALEM INITIATIVE BEING ILL-REQUITED, BROKE DIRECT NEGOTIATIONS, BUT EXCHANGE OF MESSAGES CONTINUED AND SADAT SHOCKED ARAB OPINION BY RECEIVING WEIZMAN IN CAIRO. U.S.-EGYPTIAN TIES, SLIGHTLY STRAINED AT BEGINNING OF YEAR, IMPROVED AFTER CAMP DAVID WEEKEND AND DECISION ON AIRCRAFT PACKAGE. EGYPTIANS STILL LOOKING TO WASHINGTON TO DELIVER PEACE. EGYPT'S ISOLATION IN ARAB WORKD CONTINUED, BUT SADAT CASTIGATED REJECTIONISTS AND WAS UNDETERRED BY CRITICS. ALONE OF ARAB LEADERS, HE CONDEMNED FATAH TEL AVIV RAID AND TOOK LEBANESE INVASION IN STRIDE. SADAT GROPING, THUS FAR WITHOUT SUCCESS, FOR MEANS OF DEVELOPING NEW MODERATE FATAH LEADERSHIP.

IN AFRICA, EGYPT ATTEMPTING CUT LOSSES FOLLOWING SOMALI DEFEAT, CHAD CEASE-FIRE, DJIBOUTI INSTABILITY, AND SUDAN'S EFFORT HEDGE BETS. SOVIETS SEEN AS ROOT CAUSE EGYPT'S AFRICAN PROBLEMS AND U.S. FAILURE RESPOND VIEWED AS SHORT-SIGHTED. SADAT FEARS EGYPT WILL FIND ITSELF FIGHTING IN SUDAN WITHIN YEAR. RELATIONS WITH USSR CONTINUED DOWNWARD SPIRAL. THERE ARE INDICATIONS, HOWEVER, THAT SADAT CAUTIOUSLY SEEKING ASCERTAIN IF IT POSSIBLE REVERSE PROCESS.

SECRET

SECRET

PAGE 03 CAIRO 09801 01 OF 08 010820Z

INTERNALLY, WAFD'S REEMERGENCE PRESENTED REGIME WITH FIRST CREDIBLE OPPOSITION SINCE 1952 REVOLUTION. PARLIAMENTARY DEBATE INCREASINGLY SHARP; CRITICS CONCENTRATING ON ECONOMY--WHICH CONTINUES SLIDE AS PRICES GO UP BY 20 PERCENT PER YEAR--AND FEAR OF REPETITION JANUARY 1977 RIOTS GROWS. CORRUPTION, TOO, DRAWING DOMESTIC FIRE, AS IS PEACE INITIATIVE, WHICH NOW BEING CHALLENGED BY LEFTISTS AND MUSLIM RIGHT. INTENSE DOMESTIC POLITICAL MANEUVERING LIKELY IN NEXT QUARTER WITH GOVERNMENT KEEPING NERVOUS WATCH ON ECONOMIC INDICATORS. CABINET SHUFFLE, INCLUDING PM SALIM, POSSIBLE. UNLESS THERE COMPLETE BREAKDOWN, PEACE PROCESS SHOULD NOT AFFECT DOMESTIC SCENE. SADAT MAY HAVE CONCLUDED, HOWEVER, THAT SIGNIFICANT PROGRESS MUST BE MADE BY OCTOBER 1978--OR INITIATIVE RECONSIDERED. END SUMMARY.

I. MIDDLE EAST PEACE PROCESS

1. EGYPTIANS WERE DISMAYED WHEN, SHORTLY BEFORE MILITARY. AND POLITICAL COMMITTEES AGREED UPON AT ISMAILIA MINISUMMIT WERE TO CONVENE, PRIMIN BEGIN ANNOUNCED INTENTION "THICKEN" SETTLEMENTS IN RAFAH AREA AND THAT THESE

SETTLEMENTS WOULD CONTINUE TO BE DEFENDED BY IDF. THEY VIEWED THIS AS ISRAELI EFFORT IMPOSE SERVITUDE ON GOE. SADAT'S REACTION, FREQUENTLY REPEATED SINCE THAT TIME, WAS THAT PEACE NEGOTIATIONS ONLY POSSIBLE ON CLEAR UNDERSTANDING THAT NEITHER PARTY "TREAD ON SOVEREIGNTY OR LAND" OF OTHER. ALTHOUGH WEIZMAN/GAMASY TALKS IN CAIRO CONDUCTED IN POSITIVE ATMOSPHERE, THEY ACHIEVED NO DEFINITIVE RESULTS. ISRAELI DEMANDS TO RETAIN ONE OR MORE SETTLEMENTS AND AIRFIELDS IN SINAI WERE UNACCEPTABLE TO GOE. THOUGH TALKS ALSO FAILED RESOLVE ISSUE OF PEACE-TIME EGYPTIAN TROOP DEPLOYMENT IN SINAI, BOTH SIDES RECOGNIZED TALKS EXPLORATORY. DEFINITIVE SOLUTIONS WOULD HAVE TO AWAIT

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 02 OF 08 010837Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01 IO-13
SSM-03 EB-08 HA-05 MCT-01 /121 W
-----073707 011034Z /11

R 311923Z MAR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7445
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA
AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI

USIA WASHDC
DIA WASH DC
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 02 OF 08 CAIRO 09801
SECRET

SECRET

PAGE 02 CAIRO 09801 02 OF 08 010837Z

OUTCOME OF PARALLEL POLITICAL DELIBERATIONS.

2. BEGIN'S PUBLIC PRONOUNCEMENTS AND SADAT'S PRIVATE TALKS WITH WEIZMAN, COUPLED WITH WHAT GOE REGARDS AS UNSATISFACTORY PROPOSALS PRESENTED BY BEGIN AT ISMAILIA, INCREASINGLY GAVE SADAT IMPRESSION THAT HIS DRAMATIC PEACE INITIATIVE IN TRAVELLING TO JERUSALEM BEING ILL-REQUITED. AS RESULT, HE HAD HESITATIONS ABOUT SENDING EGYPTIAN DELEGATION TO POLITICAL COMMITTEE MEETING IN JERUSALEM AND DID SO ONLY ON OUR URGING.

3. POLITICAL COMMITTEE CONVENED JANUARY 17 IN TENSE ATMOSPHERE. MEETING GOT OFF ON WRONG FOOT BEFORE IT EVEN BEGAN AS EGYPTIAN FONMIN SET FORTH STANDARD GOE POSITIONS IN BLUNT ARRIVAL STATEMENT AND BEGIN, IN WHAT WAS TO HAVE BEEN DINNER TOAST TO ASSEMBLED GUESTS, EQUALLY CONTENTIOUSLY SET FORTH ISRAELI POSITIONS. THIS, ALONG WITH SUBSEQUENT DAYAN PRESS BRIEFING ON ISRAELI INSISTENCE THAT SINAI SETTLEMENTS BE RETAINED, WAS VIEWED BY EGYPTIANS AS DELIBERATE SLAP. COUPLED WITH UNEASINESS ABOUT U.S. ROLE AT CONFERENCE (SEE BELOW), THEY PROMPTED SADAT PRECIPITOUSLY TO RECALL EGYPTIAN DELEGATION EVENING JANUARY 18, JUST AS SUBSTANTIVE DELIBERATIONS ON A DECLARATION OF PRINCIPLES S AND OTHER AGENDA ITEMS HAD BARELY BEGUN. ALTHOUGH THERE WAS ONE MORE INCONCLUSIVE ROUND OF TALKS BETWEEN GAMASY AND WEIZMAN, POLITICAL AND MILITARY COMMITTEES HAVE SINCE MID-FEBRUARY BEEN IN ABEYANCE. SADAT, WHILE INDICATING WILLINGNESS IN PRINCIPLE RESUME POLITICAL AND MILITARY TALKS, HAS INSISTED RECONVENING SHOULD TAKE PLACE ONLY IF ISRAELIS SHOW MORE FLEXIBILITY AND GET IN STEP WITH "SPIRIT" OF HIS JERUSALEM INITIATIVE. AGREEMENT TO REMOVE SINAI SETTLEMENTS, APPLICABILITY
SECRET

SECRET

PAGE 03 CAIRO 09801 02 OF 08 010837Z

OF WITHDRAWAL PROVISION OF U.S. RESOLUTION 242 TO WEST BANK/GAZA AND WILLINGNESS RESOLVE PALESTINIAN PROBLEM

IN ALL ASPECTS ARE MINIMUM REQUIREMENTS FOR DECLARATION OF PRINCIPLES ACCEPTABLE TO SADAT. BEGIN'S REITERATED REJECTION OF THESE POINTS DURING HIS WASHINGTON TALKS HAS DISHEARTENED EGYPTIANS. THEY ARE CONVINCED THAT, UNLESS THERE IS A CHANGE OF HEART IN ISRAEL, PEACE PROCESS LIKELY TO BE INDEFINITELY STALLED.

4. AT QUARTER'S END PEACE PROCESS HAD SUFFERED SETBACK, BUT SOME HOPEFUL SIGNS REMAIN. THUS, BOTH SIDES CONTINUE TO STATE THEIR DESIRE TO RESUME NEGOTIATIONS. NOR HAS ISRAELI INVASION OF SOUTH LEBANON IN WAKE FATAH ATTACK CHANGED THESE POSITIONS. WEIZMAN VISITED CAIRO, MARCH 30-31, FOR INCONCLUSIVE TALKS WITH SADAT AND GAMASY. DIRECT MESSAGES BETWEEN SADAT AND BEGIN HAVE ALSO BEEN RESUMED, ALTHOUGH LITTLE HAS THUS FAR COME OF THEM.

II. U.S.-EGYPTIAN RELATIONS

5. JANUARY SAW SOME STRAINS IN U.S.-EGYPTIAN RELATIONS. AT YEAR'S START, IN REPLY TV INTERVIEWER'S BAITING ABOUT COMMENTS MADE BY PRESIDENT CARTER REJECTING PALESTINIAN STATE AND SEEMINGLY ENDORSING CONTINUED ISRAELI PRESENCE IN WEST BANK, SADAT PUBLICLY VOICED EMBARRASSMENT OVER USG STATEMENT. BRIEF CARTER/SADAT MEETING IN ASWAN, JANUARY 4, MOMENTARILY ALLAYED EGYPTIAN CONCERNS, BUT THEY WERE AGAIN AROUSED WHEN WEIZMAN TOLD EGYPTIANS USG HAD AGREED PROVIDE ISRAEL WITH F-16'S AND ADDITIONAL F-15'S. EGYPTIANS HAVE ALWAYS DISPUTED USG ESTIMATE THAT PROVISION OF ARMS INDUCES ISRAEL SHOW MORE FLEXIBILITY.

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 03 OF 08 010839Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01 IO-13
SSM-03 EB-08 HA-05 MCT-01 /121 W
-----073741 011034Z /11

R 311923Z MAR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7446
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA

AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI
USIA WASHDC
DIA WASH DC
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 03 OF 08 CAIRO 09801

SECRET

SECRET

PAGE 02 CAIRO 09801 03 OF 08 010839Z

STILL ANOTHER MISUNDERSTANDING OCCURRED WHEN EGYPTIAN DELEGATION TO JERUSALEM POLITICAL COMMITTEE MEETING REPORTED THAT U.S. ROLE WOULD BE LESS ACTIVE THAN SADAT HAD INFERRED FROM ASWAN TALKS WOULD BE THE CASE. THIS WAS ONE FACTOR IN SADAT'S DECISION RECALL EGYPTIAN" DELEGATION BEFORE SUBSTANTIVE TALKS COULD EVEN BEGIN AND WITHOUT CONSULTING WITH US. A VISIT TO CAIRO BY SECRETARY VANCE, JANUARY 20, HELPED REASSURE SADAT, THOUGH EGYPTIAN MISGIVINGS PERSISTED THAT DESPITE PUBLIC STATEMENTS USG VACILLATING ON SUCH CRITICAL ISSUES AS ISRAELI SETTLEMENTS IN SINAI. BY LATE JANUARY, PRIVATE CRITICISM OF U.S. WAS SHARPER THAN IT HAD BEEN FOR SOME TIME, ALTHOUGH MEDIA CONTINUED TO AVOID ATTACKS OF ANY KIND.

6. TO NIP INCIPIENT CRISIS OF CONFIDENCE IN THE BUD, SADAT WAS INVITED MEET WITH PRESIDENT CARTER IN U.S. HIGH LEVEL TALKS AT CAMP DAVID AND WASHINGTON, FEBRUARY 3-8, CLEARED AIR. THEY PROVIDED SADAT WITH BETTER UNDERSTANDING OF THE ADMINISTRATION'S FIRM VIEWS ON SETTLEMENTS, APPLICABILITY OF WITHDRAWAL PROVISION OF 242 TO ALL FRONTS AND THE NEED TO RESOLVE THE PALESTINIAN

PROBLEM IN ALL OF ITS ASPECTS. HIS MEETINGS WITH MEMBERS OF CONGRESS WERE EQUALLY POSITIVE. THOUGH HE ARRIVED IN DISPIRITED MOOD, SADAT DEPARTED ENCOURAGED ABOUT ADMINISTRATION'S PURPOSEFULNESS AND DEPENDABILITY. HE AGREED COOPERATE WITH FOLLOW-UP SHUTTLE MISSION BY ASSISTANT SECRETARY ATHERTON TO TRY TO ACHIEVE MUTUALLY AGREEABLE DECLARATION OF PRINCIPLES, BUT RECOGNIZED IT COULD AT BEST BE A HOLDING ACTION PENDING BEGIN VISIT TO U.S.

SECRET

SECRET

PAGE 03 CAIRO 09801 03 OF 08 010839Z

7. INDICATIVE OF HIS RENEWED CONFIDENCE IN U.S., SADAT AT OUR URGING PUBLICLY CONDEMNED MARCH 11 PALESTINIAN TERRORIST RAID ON ISRAEL. THE ONLY ARAB LEADER TO DO SO, HE RESISTED ADVICE OF HIS PRINCIPAL COUNSELORS TO REMAIN SILENT. THERE WAS SUBSEQUENT EGYPTIAN UNHAPPINESS ABOUT LATENESS AND NON-CONDEMNATORY NATURE OF USG STATEMENT ON ISRAELI RETALIATORY INVASION OF SOUTH LEBANON, BUT SADAT PERSONALLY TOOK THE AFFAIR IN STRIDE. USG INITIATIVE IN RAPIDLY OBTAINING UNSC RESOLUTION CALLING FOR ISRAELI WITHDRAWAL WITHOUT WAITING FOR BEGIN'S ARRIVAL IN WASHINGTON AND ESTABLISHMENT OF UNIFIL WAS LAUDED BY SADAT. EGYPTIANS REMAIN ANXIOUS THAT WE PRESS FOR EXPEDITIOUS ISRAELI WITHDRAWAL.

8. MOST LINGERING DOUBTS EGYPTIAN LEADERSHIP MAY HAVE HAD ABOUT STEADFASTNESS OF ADMINISTRATION WERE DISPELLED WHEN REPORTS OF PRESIDENT CARTER'S STRONG STAND DURING WASHINGTON TALKS WITH BEGIN WERE RECEIVED. THERE WAS DISAPPOINTMENT THAT USG HAD FAILED TO BUDGE BEGIN, AND SOME SENIOR EGYPTIANS ARGUED FOR FOLLOW-UP USG PRESSURE IN THE FORM OF AN ARMS OR ECONOMIC ASSISTANCE EMBARGO ON ISRAEL, BUT PREVAILING MOOD WAS ONE OF RELIEF AND HOPE THAT CONTINUED USG SUASION WOULD EVENTUALLY INDUCE GREATER ISRAELI FLEXIBILITY.

9. ADMINISTRATION'S WILLINGNESS SELL EGYPT F-5E'S WAS RECOGNIZED AS BREAKTHROUGH IN EMBRYONIC U.S.-EGYPTIAN MILITARY RELATIONSHIP, EVEN IF EGYPTIANS POINTEDLY NOTED F-5E'S INFERIOR TO AIRCRAFT WE ARE SELLING TO ISRAELIS AND EVEN SAUDIS. NEVERTHELESS, EGYPTIAN MILITARY IS ANXIOUS MOVE AHEAD WITH F-5E PROGRAM. OFFICIAL VISIT TO EGYPT OF CNO, ADMIRAL HOLLOWAY, MARCH 25-28, SENIOR-MOST MILITARY OFFICER TO DO SO, WAS WELCOMED IN CONTEXT U.S.-EGYPTIAN NAVAL COOPERATION.

10. AGREEMENT SIGNED WITH GOE, FEBRUARY 27, FOR ANOTHER
SECRET

SECRET

PAGE 04 CAIRO 09801 03 OF 08 010839Z

\$250 MILLION CIP LOAN. IT WAS WELL PUBLICIZED AS

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 04 OF 08 010901Z

ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00

PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01

SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01 IO-13

SSM-03 EB-08 HA-05 MCT-01 /121 W

-----073913 011035Z /20

R 311923Z MAR 78

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 7447

INFO AMEMBASSY ABU DHABI

AMEMBASSY ADDIS ABABA

AMCONSUL ALEXANDRIA

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY DAMASCUS

AMEMBASSY DJIBOUTI

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOGADISCIO

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY TEL AVIV

AMEMBASSY TUNIS

USMISSION SINAI

AMEMBASSY TRIPOLI

USIA WASHDC

DIA WASH DC

USCINCEUR VAHINGEN GE

USINT BAGHDAD

AMEMBASSY BEIRUT

S E C R E T SECTION 04 OF 08 CAIRO 09801

SECRET

SECRET

PAGE 02 CAIRO 09801 04 OF 08 010901Z

FURTHER EVIDENCE CONTINUING USG EFFORT ASSIST EGYPT IN ECONOMIC SPHERE.

III. EGYPTIAN-ARAB RELATIONS

11. SADAT'S DETERMINATION CONTINUE PEACE PROCESS, DESPITE SETBACKS NOTED ABOVE, HAS CONTINUED GOE'S ISOLATION WITHIN ARAB WORLD. AT FONMIN LEVEL AND BELOW, AS WELL AS AMONG LEFTIST INTELLECTUALS, THERE IS DISTINCT UNHAPPINESS THAT ARAB SOLIDARITY (WHATEVER THAT MEANS) HAS BEEN BROKEN. THIS WAS COUPLED WITH CONCERN THAT REJECTIONISTS SEEMED TO BE SUCCEEDING IN AREAS WHERE EGYPTIAN EXPOSURE IS HIGH, ESPECIALLY WITH ARAB-AFRICAN STATES. VP MUBARAK CONDUCTED HASTY SWING THROUGH EIGHT ARAB STATES, PLUS IRAN, AT END OF JANUARY, AND SADAT STOPPED OFF IN RABAT EN ROUTE TO WASHINGTON, TO EXPLAIN GOE POLICY AND ELICIT PARTICIPATION OR A MINIMUM PUBLIC SUPPORT FOR HISPEACE INITIATIVE. GOE AT FONMIN LEVEL HOPED HUSSEIN COULD BE INDUCED JOIN. HUSSEIN'S UNWILLINGNESS DO SO IS ATTRIBUTED TO REJECTIONIST PRESSURE, ESPECIALLY FROM SYRIA, AND FRUSTRATES EGYPTIAN OFFICIALDOM. SADAT, WHO IS IMPATIENT WITH HUSSEIN, PROFESSES TO BE INDIFFERENT WHETHER OR NOT JORDANIANS JOIN, THOUGH THERE ARE RECENT SUGGESTIONS HE MAY HAVE ASKED SAUDIS TO URGE HUSSEIN TO DO SO. GOE IS EQUALLY SENSITIVE TO DEAFENING PUBLIC "SILENCE" ON PART OF SAUDI ARABIA IN LATTER'S SUPPORT FOR SADAT INITIATIVE, WITH RESULT THAT SOME STRAINS HAVE DEVELOPED IN EGYPTIAN/SAUDI DIALOGUE. NEVERTHELESS, GOE STILL COUNTS HEAVILY ON CONTINUING SAUDI FINANCIAL ASSISTANCE.

12. IN CONTRAST TO HIS WORRIED MINISTERS, A PUGNACIOUS
SECRET

SECRET

PAGE 03 CAIRO 09801 04 OF 08 010901Z

SADAT CONTINUED PUBLICLY TO EXCORIATE REJECTIONISTS. FOLLOWING TRIPOLI ENCLAVE, HE CHARGED SOVIETS HAD PENETRATED FATAH; ARAFAT "WEAK"; DAMASCUS "HYPOCRITICAL" AND WOULD COME AROUND IN END AFTER EGYPTIANS CARRIED OUT THEIR DIRTY WORK; ACCUSED BOUMEDIENNE OF LUKEWARM SUPPORT IN 1973 WAR AND OF FABRICATING SAHARAN CONFRONTATION WITH MOROCCO; AND RIDICULED PDRY AND LIBYA AS "RUSSIAN AGENTS" AND OF NO IMPORTANCE. ONLY IRAQ, WHICH DID NOT SIGN TRIPOLI COMMUNIQUE, WAS SPARED HARSH

EGYPTIAN PROPAGANDA IRE. ASSASSINATION OF YOUSEF SIBAI
IN NICOSIA ATTRIBUTED TO REJECTIONIST CONSPIRACY.

13. SADAT'S STRONG ANTI-REJECTIONIST POLICY APPEARED
TOWARD END OF MARCH TO BE HAVING AT LEAST SOME SUCCESS:
DESPITE BRAVE WORDS, SYRIAN (AND OTHER REJECTIONIST)
IMPOTENCE IN FACE ISRAELI INVASION OF SOUTH LEBANON
CONVINCED MANY DOUBTERS THAT SADAT'S PEACE STRATEGY
MIGHT AFTER ALL BE RIGHT. SYRIANS WERE PUBLICALLY
TAUNTED FOR FAILING ASSIST PALESTINIANS TO RESIST ISRAELI
DRIVE. THE ERRATIC QADHAFI'S DENUNCIATION OF SYRIA,
IN LATE MARCH, FOR SAME REASON WAS SEEN AS BEGINNING
OF BREAK-UP OF REJECTIONIST FRONT. LATE MARCH REGULAR
ARAB LEAGUE COUNCIL MEETING IN CAIRO FOUND ALL MEMBERS
EXCEPT FIVE REJECTIONIST STATES PRESENT (12 AT FONMIN
LEVEL). NO DECISIONS INIMICAL TO GOE WERE TAKEN AND
MEETING INTERPRETED AS MODEST VICTORY FOR EGYPT.

14. GOE RELATIONS WITH PALESTINIANS DETERIORATED: SIBAI
ASSASSINATION BY TWO PALESTINIANS OUTRAGED SADAT AND
EGYPTIAN PUBLIC AND RELEASED OMNIPRESENT, BUT USUALLY
DORMANT, ANTI-PALESTINIAN ATTITUDES. PRIMIN TOLD PEOPLES
ASSEMBLY GOE WOULD REVOKE "SPECIAL PRIVILEGES" PRESENTLY
ACCORDED PALESTINIANS. THOUGH LEGISLATION WHICH WOULD

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 05 OF 08 010903Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 AID-05
TRSE-00 OMB-01 IO-13 SSM-03 EB-08 HA-05 MCT-01
CIAE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05
PA-01 SP-02 SS-15 USIA-06 /121 W
-----073946 011036Z /20

R 311923Z MAR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7448
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA
AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM

AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI
USIA WASHDC
DIA WASH DC
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 05 OF 08 CAIRO 09801

SECRET

SECRET

PAGE 02 CAIRO 09801 05 OF 08 010903Z

GIVE EFFECT TO SUCH ACTION IS OPPOSED BY PROMINENT PARLIAMENTARIANS AND HAS THUS FAR NOT BEEN ENACTED, SEVERAL HUNDRED PALESTINIANS HAVE BEEN EXPELLED OVER PAST FOUR MONTHS. PUBLICLY, GOE GAVE IMPRESSION OF STRIVING AVOID PUBLIC BREAK WITH PLO. SADAT ACCEPTED PLO CLAIM OF NON-INVOLVEMENT IN LARNACA SHOOTOUT. HE ALSO AGREED TO RETURN OF PLO REPS WHO HAVE LONG LIVED IN CAIRO. PRIVATELY, HOWEVER, SADAT HAS BECOME DISILLUSIONED WITH ARAFAT AND ABU IYAD AND IS GROPING FOR MEANS OF DEVELOPING NEW MODERATE FATAH LEADERSHIP WHICH MIGHT COLLABORATE WITH SIMILARLY INCLINED WEST BANK/GAZA ELEMENTS. HE HAS THUS FAR HAD NO SUCCESS.

15. FATAH TERRORIST ATTACK ON ISRAEL MARCH 11 WAS RECOGNIZED AS CONSCIOUS EFFORT UNDERMINE PEACE PROCESS. IN PUBLICLY CONDEMNING RAID INSIDE ISRAEL, SADAT BECAME . FIRST ARAB LEADER EVER TO DO SO. ISRAELI MASSIVE RETALIATORY INVASION OF SOUTH LEBANON DISTURBED GOE, WHICH INITIALLY PROFESSED SEE IT AS FURTHER EVIDENCE OF ISRAELI DESIRE TO EXPAND AND CONTROL LITANI WATERS. GOE HAS PUBLICLY DEMANDED ISRAELI WITHDRAWAL. SADAT'S ACTION IN AGREEING TO WEIZMAN MARCH 30-31 VISIT TO CAIRO EVEN BEFORE ISRAELIS HAVE WITHDRAWN, LIKELY SUBJECT HIM AND GOE TO FURTHER ARAB (AND DOMESTIC) CRITICISM.

IV. EGYPT IN AFRICA

16. AFRICA LOOMED LARGE DURING QUARTER WITH EVENTS

FULFILLING LONG-FEARED EGYPTIAN EXPECTATIONS: ETHIOPIA
(WITH SOVIET, CUBAN AND PDRY ASSISTANCE) ADMINISTERED
DRUBBING TO EGYPTIAN-BACKED SOMALI FORCES; LIBYA
SECRET

SECRET

PAGE 03 CAIRO 09801 05 OF 08 010903Z

DID SAME TO CHAD; DJIBOUTI HOVERED ON BRINK CIVIL STRIFE;
AND SUDAN, WITH WHOM GOE HAS SECURITY TREATY, BEGAN
HEDGE ITS BETS. SADAT CONTINUES VIEW AFRICAN EVENTS
AS MAJOR THREAT AND FEARS EGYPT WILL FIND ITSELF FIGHTING
IN SUDAN WITHIN YEAR. THROUGHOUT, U.S. POLICY VIEWED
AT BEST AS INEFFECTIVE AND AT WORST AS SHORT-SIGHTED.
EGYPTIANS BELIEVE WASHINGTON SUFFERING FROM VIETNAM
COMPLEX AND HAS YET TO RECOGNIZE DANGERS OF SOVIET
STRATEGY IN AFRICA.

17. DESPITE RESERVATIONS ABOUT SIAD BARRE, EGYPT MADE
FRANTIC EFFORT BOLSTER SOMALI FORCES IN OGADEN, DISPATCH-
ING MILITARY SUPPLIES IT COULD ILL AFFORD TRANSFER.
ATTEMPTED AERIAL RESUPPLY, SANS OVERFLIGHT CLEARANCE,
RESULTED IN KENYA FORCING DOWN EGYPTIAN PLANE, WITH
GOE IMPOUNDING TWO KENYAN AIRCRAFT IN RESPONSE. AFFAIR
QUICKLY BLEW OVER, BUT UPSHOT WAS EGYPTIAN-KENYAN TIES
STRAINED, AND GOE GOT BLACK EYE FOR INEPTITUDE.

18. ONLY AFTER IT ABSOLUTELY CLEAR BOTH SOMALIA AND
CHAD ON ROPES DID GOE BEGIN CUT LOSSES. ON MARCH 11,
FONMIN KAMEL CLAIMED SOMALIA'S WITHDRAWAL FROM OGADEN
"CONSTRUCTIVE" AND OFFERED MEDIATE (IN VAIN HOPE OF
FREEZING SOVIETS OUT). TO EGYPTIANS, SOVIETS THREATEN
BECOME DOMINANT REGIONAL POWER AND ARE EXPECTED KEEP
ERITREAN SITUATION FESTERING TO JUSTIFY CON-
TINUING MILITARY PRESENCE IN ADDIS ABABA. SUDAN'S
ATTEMPT EFFECT RECONCILIATION WITH ETHIOPIA AND LIBYA,
IN GOE VIEW, REFLECTS LOGICAL DISENCHANTMENT WITH WESTERN
WILLINGNESS COUNTER USSR. MODERATES GENERALLY EXPECTED
SEEK PROPITIATE RADICALS, GIVING SOVIETS OPPORTUNITY
ACHIEVE GOAL SURROUND CAIRO WITH HOSTILE REGIMES. IN
COMING MONTHS GOE WILL WATCH CLOSELY U.S. SUPPLY OF

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 06 OF 08 010904Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01 IO-13
SSM-03 EB-08 HA-05 MCT-01 /121 W
-----073964 011224Z /11

R 311923Z MAR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7449
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA
AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI
USIA WASHDC
DIA WASH DC
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 06 OF 08 CAIRO 09801
SECRET

SECRET

PAGE 02 CAIRO 09801 06 OF 08 010904Z

"DEFENSIVE" WEAPONS TO SOMALIA AND OTHER ACTIONS AS
TEST OUR ABILITY CONTAIN SOVIETS.
V. EGYPTIAN-SOVIET RELATIONS

19. IN GOE VIEW KREMLIN SEEN AS ATTEMPTING ISOLATE SADAT,
ABORT PEACE PROCESS, RADICALIZE EGYPT'S NEIGHBORS AND
FOMENT INTERNAL DISCORD. NOT SURPRISINGLY, EGYPTIAN-
USSR RELATIONS HAVE REMAINED AT LOW EBB, ALTHOUGH QUARTER
ENDED WITH HINT THAT SADAT SEEKING REVERSE PROCESS.

20. AS LOGICAL FOLLOW-ON TO EARLIER CLOSURE BLOC

CULTURAL CENTERS, GOE IN JANUARY SUSPENDED PUBLISHING LICENSES FOR THREE SOVIET PERIODICALS. DURING SAME PERIOD NUMBER OF DOMESTIC COMMUNISTS, AS WELL AS LOW-RANKING FUNCTIONARIES OF LEFTIST PARTY, WERE ARRESTED AND ACCUSED OF ATTEMPTING REPEAT LAST YEAR'S SUBSIDY RIOTS. ECONOMICALLY, EMBARGO ON COTTON SHIPMENTS APPEARS TO BE HOLDING AND 1978 EGYPTIAN-USSR TRADE PROTOCOL NOT YET CONCLUDED. ALSO, GOE (AS OF NOVEMBER) REPORTEDLY NO LONGER PERMITTING SOVIETS FREE TRANSIT OF SUEZ CANAL AS PARTIAL OFFSET MILITARY DEBT; NOR ARE EGYPTIANS, ACCORDING TO ONE SOURCE, MAKING SCHEDULED PAYMENTS. FINALLY, NO MILITARY RESUPPLY FROM USSR HAS BEEN FORTH-COMING.

21. SADAT NOT FORECLOSING ALL OPTIONS. IN FEBRUARY 26 OCTOBER MAGAZINE INTERVIEW HE DESCRIBED BREZHNEV AS "ONLY STATESMAN AMONG SOVIET LEADERS . . . MAN OF SOUND INTELLIGENCE AND UNDERSTANDING", CLAIMING IF EGYPTIAN-SOVIET RELATIONS NORMALIZED, "CREDIT WILL GO TO THIS MAN." FEBRUARY JOINT COMMUNIQUE WITH ROMANIA AFTER SADAT VISIT EXPRESSED RENEWED INTEREST
SECRET

SECRET

PAGE 03 CAIRO 09801 06 OF 08 010904Z

IN UN SYG WALDHEIM'S PROPOSED FOLLOW-ON MEETING IN NEW YORK (PRESUMABLY ONLY IF CURRENT NEGOTIATIONS ABORT) WHICH SOME INTERPRETED AS GESTURE TO SOVIETS AS CO-CHAIRMAN GENEVA CONFERENCE AND IN MID-MARCH HIGH LEVEL OFFICIAL WAS SECRETLY SENT TO MOSCOW TO TRY TO PATCH THINGS UP (NOFORN). APPEARS SADAT CAUTIOUSLY PROBING TO ASCERTAIN IF IT POSSIBLE IMPROVE RELATIONS, AS RESULT AT LEAST SOME CONCERN U.S. WILL PROVE UNABLE DELIVER ON COMPREHENSIVE MIDDLE EAST PEACE. THIS IS COURSE LONG URGED BY FOREIGN MINISTRY OFFICIALS. SOVIETS UNLIKELY TO RESPOND ADAQUATELY, ALLOWING SADAT DEMONSTRATE TO CRITICS HE HAS TRIED, WITHOUT GIVING USSR BLOCKING POSITION ON PEACE PROCESS.

22. IN MARKED CONTRAST TO CHILLED RELATIONS WITH USSR, TIES WITH ROMANIA, YUGOSLAVIA AND PRC CONTINUE CLOSE. PRESIDENTIAL CONFIDANT TOHAMI VISITED PEKING AND PYONGYANG, RETURNING WITH EXPRESSIONS OF SUPPORT AND PROMISED (UNDATED) RETURN TRIPS FROM LEADERS THESE TWO STATES.

VI. EGYPTIAN-EUROPEAN RELATIONS

23. SADAT VIEWS EUROPE AS HAVING SUPPORTING ROLE IN PEACE PROCESS AND HE STOPPED IN SIX EUROPEAN CAPITALS ON WAY HOME FROM WASHINGTON IN FEBRUARY (HAVING RECEIVED CALLAGHAN, FANFANI, AND SCHMIDT IN ASWAN DURING

PREVIOUS MONTH) WHERE HE RECEIVED STRONG ENDORSEMENTS.

24. OF GREATER IMPACT, WAS EGYPT'S INSERTION INTO GREECE-TURKEY-CYPRUS TRIANGLE FOLLOWING SIBAI ASSASSINATION AND LARNACA SHOOT-OUT. SADAT WAS FURIOUS AT GREEK-CYPRIOTS OVER INCIDENT, BREAKING RELATIONS, DEMANDING

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 07 OF 08 020401Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 AID-05 TRSE-00 IO-13 SSM-03 EB-08
HA-05 MCT-01 OMB-01 /115 W
-----080613 020403Z /65/21

R 311923Z MAR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7450
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA
AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI
USIA WASHDC
DIA WASH DC
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 07 OF 08 CAIRO 09801

SECRET

SECRET

PAGE 02 CAIRO 09801 07 OF 08 020401Z

C O R R E C T E D C O P Y (PARA 25, LINE 2)

SIBAI'S KILLERS BE HANDED OVER, AND HINTING AT POSSIBLE SUPPORT FOR TURKISH POSITION ON ISLAND. GOG HAS ATTEMPTED PLAY MEDIATING ROLE WITHOUT GETTING OUT FRONT SO LONG AS SADAT DOES NOT MOVE TOWARDS RECOGNITION DENKTASH'S MINI-STATE.

VII. EGYPTIAN INTERNAL DEVELOPMENTS

25. MOST SIGNIFICANT INTERNAL DEVELOPMENT WAS FEBRUARY 5 LEGALIZATION OF NEW WAFD PARTY. WAFD REPRESENTS FIRST

CREDIBLE OPPOSITION SINCE 1952 REVOLUTION AND ITS RE-EMERGENCE HAS ALREADY BEGUN TO CHANGE PARLIAMENTARY DEBATE, NOW MUCH SHARPER, ACERBIC AND EFFECTIVE. THIS LIKELY INCREASE FURTHER ONCE WAFD ESTABLISHES PARTY NEWSPAPER, AS DEMONSTRATED BY POPULARITY NEW PAPERS OF OFFICIAL LEFT (AL-AHALI) AND RIGHT (AL-AHRAR). AL-AHALI, IN PARTICULAR, HAS BECOME INFLUENTIAL WITH INTELLECTUAL ELITE. PAPER IS CRITICAL OF GOVERNMENT'S DOMESTIC POLICIES AND PEACE PROCESS. LEFTIST LEADERS PROFESS CONFIDENCE THAT TIME IS ON THEIR SIDE, PEACE EFFORT IS ABORTING, ECONOMY CRUMBLING, AND CORRUPTION GROWING. THEY CLAIM LABOR UNION LEADER SAAD AHMED AND SHEIKH AL-AZHAR DR. MAHMUD DAMAGED AS RESULT ENDORSEMENT SADAT'S PEACE EFFORTS AND EXPECT THIS DAMAGE BECOME MORE WIDESPREAD AND SEVERE AS PROSPECTS FOR SUCCESS FADE. CORRUPTION, TOO, VIEWED AS DAMAGING REGIME, WITH SOME CLOSE TO SADAT SAID TO BE INVOLVED.

26. MUSLIM BROTHERHOOD'S (IKHWAN) MONTHLY AL-DAWA

SECRET

SECRET

PAGE 03 CAIRO 09801 07 OF 08 020401Z

CALLED ON GOVERNMENT TO RECONSIDER PEACE INITIATIVE, AND COMMUTE DEATH SENTENCES IMPOSED ON TAKFIRIS RESPONSIBLE FOR JULY MURDER FORMER WAQF MINISTER. UNIVERSITY BASED ISLAMIC SOCIETIES WITH LINKS TO IKHWAN WERE ON VERGE GAINING CONTROL NATIONAL STUDENT UNION WHEN GOVERNMENT, APPARENTLY CONCERNED BY GROWING STRENGTH MUSLIM RIGHT, MOVED STRONGLY AGAINST THEM FOR FIRST TIME AND OVERTURNED CAMPUS ELECTIONS. MUSLIM ORGANS COMPLAINED BITTERLY BUT WITH NO DISCERNABLE EFFECT. AS FURTHER

SHOW OF STRENGTH AGAINST MUSLIM EXTREMISTS, SADAT
ORDERED FIVE CONVICTED TAKFIR LEADERS HANGED ON MARCH 19.

27. DOMESTIC POLITICAL PROBLEMS EXACERBATED BY EGYPT'S
MYRIAD ECONOMIC PROBLEMS. "OPEN DOOR" POLICY CONTINUES
ENJOY LIMITED SUCCESS, ATTRACTING DISAPPOINTING AMOUNT
FOREIGN INVESTMENT, DISTRIBUTING BENEFITS UNEQUALLY,
WHILE PUSHING INFLATION ALONG AT APPROXIMATELY 20 PERCENT
PER YEAR. POLITICALLY VITAL MIDDLE CLASS AND VOLATILE
LOWER CLASS HARDEST HIT. ADDITIONALLY, IMF ADVOCATING
REFORMS WHICH WOULD HAVE IMMEDIATE EFFECT ON FORCING
PRICES HIGHER, PARTICULARLY IN PUBLIC SECTOR COMMODITIES.
GOE ACCEPTS IMF RATIONALE, BUT INTENDS PROCEED CAUTIOUSLY,
IN RECOGNITION FACT PRICE RISES BROUGHT CROWDS OUT IN
STREETS LAST JANUARY. AS QUARTER ENDED, PRICE RISES
WERE SUBJECT MAJOR DEBATE IN PEOPLES ASSEMBLY WITH GOE
SPOKESMEN ON DEFENSIVE.

VIII. NEXT THREE MONTHS

28. BARRING COMPLETE BREAKDOWN IN PEACE NEGOTIATIONS,
NEXT THREE MONTHS LIKELY BE PERIOD OF INTENSE MANEUVER-
ING BY EMERGING POLITICAL FORCES, PARTICULARLY WAFD.
GOE AT HIGHEST LEVEL IS BECOMING INCREASINGLY CONSCIOUS
OF GROWING PUBLIC DISCONTENT OVER HIGH PRICES AND OTHER-
WISE UNSATISFACTORY ECONOMIC SITUATION. THERE IS CONCERN
THAT AN INCIDENT COULD SPARK NEW RIOTS. THERE IS ALSO

SECRET

SECRET

PAGE 04 CAIRO 09801 07 OF 08 020401Z

SECRET

NNN

SECRET

PAGE 01 CAIRO 09801 08 OF 08 010906Z
ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 ISO-00 SIG-03 MMO-01 CIAE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 USIA-06 AID-05 TRSE-00 OMB-01 IO-13
SSM-03 EB-08 HA-05 MCT-01 /121 W
-----074019 011031Z /11

R 311923Z MAR 78
FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 7451
INFO AMEMBASSY ABU DHABI
AMEMBASSY ADDIS ABABA
AMCONSUL ALEXANDRIA
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY DJIBOUTI
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY TEL AVIV
AMEMBASSY TUNIS
USMISSION SINAI
AMEMBASSY TRIPOLI
USIA WASHDC
DIA WASH DC
USCINCEUR VAIHINGEN GE
USINT BAGHDAD
AMEMBASSY BEIRUT

S E C R E T SECTION 08 OF 08 CAIRO 09801

SECRET

SECRET

PAGE 02 CAIRO 09801 08 OF 08 010906Z

TALK THAT A CABINET SHUFFLE, PERHAPS EVEN INCLUDING
PRIMIN, MAY BEFORE LONG TAKE PLACE.

29. ON PEACE FRONT, WHILE THERE IS PUBLIC IMPATIENCE,
SADAT PROBABLY HAS A LITTLE MORE TIME. SADAT AND SENIOR
EGYPTIANS SPEAK INCREASINGLY OF OCTOBER 1978 AS DEAD-
LINE BY WHICH HARD DECISIONS WILL HAVE TO BE MADE ABOUT
PEACE PROCESS. PROBLEM FOR SADAT IN ANY STALLED PEACE
PROCESS IS THAT IT INVARIABLY CAUSES PUBLIC TO SHIFT
ATTENTION TO ITS ECONOMIC WOES AND ACCENTUATES GOE'S
PROBLEM OF CONTAINING PUBLIC RESTIVENESS. ALTHOUGH
ANNIVERSARY OF JANUARY 1977 RIOTS WENT BY PEACEFULLY,
THEIR MEMORY LINGERS. THERE IS GENUINE CONCERN THAT,
UNLESS SOLUTIONS TO ECONOMIC PROBLEMS ARE VIGOROUSLY
SOUGHT, LAST YEAR'S DEMONSTRATIONS COULD BE REPEATED
AND IN MORE SERIOUS FORM. EILTS

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTELLIGENCE ASSESSMENTS, POLITICAL SUMMARIES
Control Number: n/a
Copy: SINGLE
Draft Date: 31 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CAIRO09801
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780142-0023
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978035/aaaaadpp.tel
Line Count: 977
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6962f2c3-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 18
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 78 CAIRO 65
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3276016
Secure: OPEN
Status: NATIVE
Subject: QUARTERLY POLITICAL ASSESSMENT: JAN 1 - - MARCH 31
TAGS: PINT, EG, XF, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/6962f2c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014